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ESTIMATES OF SOVIET MILITARY SPENDING REVISED DOWNWARD
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The U.S. intelligence community has sharply reduced its estimate of the annual growth rate of the Soviet military between 1976 and 1981 from 3 percent to 2 percent, government officials said Thursday.

The officials said the Central Intelligence Agency and the Defense Intelligence Agency are analyzing data to determine the reasons for paring the estimate by one-third.

Nevertheless, they said Soviet defense spending continues to outstrip U.S. military expenditures by a 3-1 margin in such cases as the investment in strategic nuclear forces.

The senior officials of the Pentagon, CIA and DIA appeared at a background briefing to rebut a story in the New York Times alleging a dispute between the two intelligence agencies over the conclusions about the growth of the Soviet military.

The officials, who could not be identified under the rules of the briefing, denied any major disagreement. They said they changed their assessment since the summer about the trend of growth in the Soviet military because of the receipt of new data.

The Reagan administration has based much of its argument on the need to "rearm America" on the size and growth of the Soviet military since the 1970s and the threat it presents to the United States and its allies.

The officials said the rate of growth of the Soviet military machine slipped from an average of 3 percent to 2 percent a year from 1976-1981 because of what may be a variety of reasons ranging from a changeover to new weapons to problems in developing high technology armaments. Tank production, they said, has remained constant.

"They are racing ahead much less rapidly," one official said. "New equipment is coming into the force somewhat more slowly."

They gave no concrete details because of the classified nature of the information.

"The bad news is that they are on a much higher plateau (than the United States) and they are adding more each year," another official said. "The good news is that they will not race away from our efforts (at rearmament) completely."

The Soviets spent the equivalent of \$222 billion on defense in 1981 compared to U.S. spending of \$154 billion, they said.

The reason for the reassessment, the officials said, is that what originally was thought to have been a temporary slowdown in Soviet weapons production two years ago turned out to be of much longer duration.

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"It's apparently going to be a longer trend that we thought," one official said. "We thought this was a hiccup. We don't think they decided to cut defense expenditures."

A page of the new edition of "Soviet Military Power" distributed to reporters at the briefing said the Soviets spent 70 percent more than the United States on weapons research and development during the 1970s, indicating there may be another spurt in Soviet production shortly.

"The dollar operating costs for Soviet activities were about 25 percent higher both for the period (the 1970s) and 1981," it said.

The Pentagon will release the entire booklet March 9. The first edition was issued Sept. 29, 1981.